



Report of the Trustees and
Financial Statements
for the Year Ended 31 August 2021
for
Palladian Academy Trust

MHA Monahans
Statutory Auditor
Chartered Accountants
Fortescue House
Court Street
Trowbridge
Wiltshire
BA14 8FA

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COMPANIES HOUSE

Palladian Academy Trust

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for the Year Ended 31 August 2021

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Palladian Academy Trust

Reference and Administrative Details
for the Year Ended 31 August 2021

MEMBERS:

A Arlidge
R L Balch (appointed 19.4.21)
R A Franks (resigned 18.4.21)
J Garratt
E Gregory
F Stewart (SDBE)

TRUSTEES

R A Balch (Chair from 19.4.21)
R Franks (Chair until 18.4.21)
S J Apps
T R Battersby (appointed 21.7.21)
P J Black (co-opted trustee)
R Bullard
E Commander
W B C Hobhouse (co-opted trustee)
C D Mason
C M Mercer (Vice Chair) (resigned 30.9.20)
A J Moore
A Norman (resigned 29.3.21)
M J Robbins
D A Tandy (CEO and accounting officer) (appointed 1.9.21)
R Whelan (resigned 18.12.20)
T Withers (CEO and accounting officer) (resigned 31.8.21)

COMPANY SECRETARY

J Marsh

SENIOR MANAGEMENT TEAM:

D Tandy (CEO) (from 1.9.21)
T Withers (CEO) (until 31.8.21)
J Marsh (COO)
P Jacobs (Director of School Improvement)
J Gasgoine (Headteacher Combe Down Primary School)
T Dunn (Headteacher Fitzmaurice Primary School)
D Goucher (Headteacher Oldfield Park Junior School)
C McMurtry (Headteacher Oldfield Park Infant School)
A Greenhough (Headteacher Ralph Allen School)
C Parfitt (Headteacher St Martin's Garden Primary)
A Joy (Headteacher St Philip's Primary School)
C Taylor (Headteacher Widcombe Junior School)
A Watts (Headteacher Widcombe Infant School)
R Wilson (Headteacher Winsley Primary School)

REGISTERED OFFICE

Claverton Down Road
Combe Down
Bath
BA2 7AD

REGISTERED COMPANY NUMBER

08061092 (England and Wales)

Palladian Academy Trust

Reference and Administrative Details
for the Year Ended 31 August 2021

INDEPENDENT AUDITORS

MHA Monahans
Statutory Auditor
Chartered Accountants
Fortescue House
Court Street
Trowbridge
Wiltshire
BA14 8FA

Palladian Academy Trust (Registered number: 08061092)

Report of the Trustees
for the Year Ended 31 August 2021

The Trustees present their annual report together with the audited financial statements of the charitable company (Academy Trust) for the period 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law and includes the additional content required of larger charities.

The Academy Trust currently operates 10 academies across the primary and secondary phases in Bath and Wiltshire. The Trust has a combined pupil capacity of 3663, including the additional 200 secondary phase places from 1 September 2021. The Trust had a pupil roll of 3554 in the autumn school census 2021.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The formal objects set out in the Articles of Association are:

- a) To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum which shall include:
 - Academies other than those designated Church of England whether with or without a designated religious character; and
 - Church of England Academies designated as such which shall be conducted in accordance with those principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and in having regard to any advice and following any directives issued by the Diocesan Boards of Education, but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.
- b) To promote for the benefit of the inhabitants of Bath and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interest of social welfare and with the object of improving the condition of life of the said inhabitants.

The Palladian Academy Trust (PAT) is a community of schools, each with its own particular ethos, that enjoy a mutually enriching partnership. The Trust includes both faith and non-faith academies working closely together, all connected by the vision we share for our students. We value and respect the individuality of every child and believe their learning and development should be personal and holistic. We aim to support their well-being and help them achieve their best.

We want to provide exceptional learning and achievement for all in the Academy Trust through living up to our core values:

- Well-being
- Character
- Professional development
- Enrichment
- Partnership

Objectives, Strategies and Activities

The Trust's key objectives are:

1. All schools to show positive values for the progress and achievement of students from Reception to KS5
2. PAT as an organisation to promote sustainability, positive environmental stewardship, and work towards being energy efficient in a context of climate emergency
3. All school members of the PAT to be Ofsted rated 'good' or 'outstanding' by 2023
4. The Palladian Promise to be kept by all PAT schools
5. SIAMS inspections during the three-year period of the Plan will all be good and excellent; relationships between church schools and other PAT academies to be mutually enriching with opportunities for church schools to work collaboratively
6. All schools to offer a broad and balanced curriculum which offers significant opportunities for enrichment and cultural capital, which responds to new Ofsted expectations, and which promotes readiness for the next Key Stage
7. All schools to have a strong focus upon the wellbeing of their staff, community and pupils
8. All PAT students, parents and staff to develop learners' character in helping to develop effective, resilient and flexible learners
9. PAT to prioritise professional development on a Trust-wide basis, with additional opportunities in training, networks and liaison available.
10. PAT to gain a strong local reputation as an employer of choice with excellent support for staff, including flexible working and regard for wellbeing and workload

Report of the Trustees
for the Year Ended 31 August 2021

OBJECTIVES AND ACTIVITIES

11. Partnership: business function to be led and managed across the Trust, leading to cost-saving efficiencies, procurement and enhanced effectiveness
12. Communications: all channels to be developed appropriately, e.g. website, newsletters and social media, conveying a clear picture of the Trust and the benefits it offers to partners
13. Internal communications systems to promote access to data/documentation across schools, and intuitive messaging systems between colleagues
14. The Trust Board, School Governing Bodies and ELT to formulate and develop a PAT growth strategy which is sustainable, with systems and structures which support our well-balanced group of schools

From September 2021, a new CEO is in position which has allowed the Trust to review its commitment, vision and values alongside shared strategic priorities. This will provide shared language, expectations and accountability that will promote the notion of Palladian Academy Trust as a single organisation where there is collective responsibility for all learners and colleagues, beyond a single school or team.

An externally facilitated development day was held in October 2021 and was attended by all Headteachers, Central Services and Trustees to decide the things that really matter to us and how we will achieve them. These are now being rolled out in our schools, with our governors and communities through a number of activities including the introduction of Culture Champions in all schools.

Through a process of development and consultation, the following are now in place:

Vision: The best futures for all through excellent and equitable opportunities.

Commitment: Trust in the future.

Values: Respect, Trust, Courage, Curiosity

Our shared strategic priorities will underpin all our development and improvement activities in the Trust Development Plan and School Development Plans so we can work collectively to fulfil our vision:

PAT 1 Identify and address vulnerabilities to enable schools and the Trust to be the best at getting better.

PAT 2 Develop and support everybody's expertise.

PAT 3 All learners to be their 'best selves'.

PAT 4 A courageous curriculum delivered through quality pedagogy.

PAT 5 Ensure the best use of resources to deliver our social, civic and ethical responsibilities.

PAT is a values-driven organisation whose values are lived out through the 'Palladian Promise' for pupils' personal development and character education. These objectives cover a range of aspirations from high moral purpose: environmental stewardship, to the practicalities of running an efficient and effective organisation. They are in operation for the three-year duration of the planning cycle.

A regular cycle has been established for appraisal, school development planning, and Academy Trust development planning, combined with review encompassing the Extended Leadership Team and Governance. School self-evaluation and development planning now takes place in the context of our Trust Development Plan (TDP), which allows for strongly cohesive goal setting and alignment. The Extended Leadership Team has the primary aim of delivering and evaluating the impact of the Trust Development Plan. Alongside this sits a strengthened school improvement offer to provide a high challenge, low threat approach to all schools so they are on a journey of continuous improvement.

By having a clear framework for accountability and shared language and expectations, the Trust is able to clearly evidence the value it brings to schools who are currently within the group or to those schools who wish to work with us in the future.

Public Benefit

In setting our objective and planning our activities the trustees have carefully considered the Charity Commission's guidance on public benefit.

STRATEGIC REPORT

Achievement and performance

The Palladian Academy Trust is a highly accountable organisation, operating in the context of Ofsted inspection, DFE oversight of academies through the Regional Schools' Commissioner Office in the SW, accountability through test and exam performance and the meeting of floor and other performance standards, and the monitoring of safeguarding by the Local Authority. The metrics underpinning our performance in 2020 - 21 have been interrupted; our emphasis on quality and achievement is unchanged. The most important accountability is owed to the parents of our students, with whom we have had daily contact, and to the students themselves.

Report of the Trustees
for the Year Ended 31 August 2021

Achievement in the Academy Trust has been strong since our inception, as performance data will bear out, with relatively few causes for concern, and rapidly improving performance in its sponsored school, St Martin's Garden since its 'requiring improvement' Ofsted outcome in Term 6, 2019, which has responded especially strongly to the Covid19 emergency. We are confidently expecting an Ofsted monitoring visit will confirm strong progress towards good later this year. It had been expected in the summer terms of 2020.

In November 2021, Widcombe Infant School was inspected after being previously exempt as an outstanding school. Their previous inspection was 15 years ago, in 2007. In 2019, Ofsted updated their thresholds for each grading and it was under this new and more rigorous framework that the school was inspected. The school was given a grading of good with outstanding for personal development. The report highlights only one area for development and the report clearly references the excellent work the school does for its learners.

Three other PAT schools have been inspected under the new Ofsted framework and found to be securely 'good' - Oldfield Park Infant School, Oldfield Park Junior School, and St Philip's Primary School.

Where there is a cause for concern, the Academy Trust will be guided by its newly updated School Improvement Strategy to carry out action planning and effective intervention. Each line of the Trust Development Plan has specific success criteria which the Extended Leadership Team employ to evaluate for the Board of Trustees, which evidences oversight and challenge through its minutes of Board and Committee meetings. The appointment of a Leader of Professional Development, line managed by the Director of School Improvement, has greatly increased our capacity for improvement and change.

The Palladian Academy Trust is comprised of ten schools, with two schools joining during 2019 - 20: Fitzmaurice Primary School on 1 October 2019 and Winsley Church of England Primary School on 1 December 2019. All of our schools are good or outstanding, with one developing school as indicated above. It is fair to say that our commitment to the core value of 'partnership' has only been strengthened by the travails of Covid19.

Key Performance Indicators

1. Our emphasis on the core value of wellbeing was evidenced through three Ofsted inspection reports (Oldfield Park Infant School, Oldfield Park Junior School & St Philips Primary School) in Term 1 of 2019 - 20. This has gained a new, critical relevance since the end of March 2020. Additionally, feedback from parents in surveys and informally has affirmed our support for the wellbeing of school communities. The Trust has been very proactive in meeting the challenges of Everyone's Invited and the recent Ofsted safeguarding report, with more than 100 parents responding to consultation on the Sex and Relationships Policy, and flagging up their particular concerns, as on the issue of consent.
2. Equally, there is clear evidence in inspection reports of our 'broad and balanced curriculum which supports enrichment (e.g. Oldfield Park JS). The impact of PAT collaboration and added value is demonstrated in the text of reports
3. Our objective for all schools to be rated good or better. SIAMS inspections are due from Term 1 of the academic year 2021 - 22; the cycle is delayed. Our relationships with the Diocese of Salisbury and Diocese of Bath and Wells, led by the latter, are very strong and mutually supportive
4. Continuing Professional Development (CPD) is another core value of the organisation. In support of this, and in line with our TDP, a new post of Leader of CPD was created for 2020 - 21. Working parties to support school improvement work have been created, aligned strongly with all School Development Plans, and operating this year
5. A number of schools have completely re-engineered their school websites to great benefit. This is part of our ongoing work in communications to synthesise more effectively our email systems as well as working towards a single log-in. This is being developed in the summer of 2021.
6. Objective 11 is about the clarity of our governance and trustee reservoir. The Trust Board is now exceptionally strong, with an excellent skill set, led by a confident and experienced chair who has been working as a National Leader of Governance. This has supported especially our crisis response. The definition of roles has been supported by well attended whole-Trust training events. The PAT's Critical Incident Response Team have been a real strength, dealing with one very long 'incident' as well as the tragic death of two staff members in this time.
7. Secondary achievement remains on a very different template in 2021 with teacher assessment. In the sixth form 61% of students achieved A*/A grades, while 85% of students achieved A* - B, and 95% achieved A* - C. In Year 11 students did exceptionally well with a Progress 8 score of 0.6. The gap between disadvantaged learners and other learners - 1.46 in 2020 - now stands at 0.8 - still wide and is a key target for further development in 2021 - 22. 36% of grades achieved were level 7 - 9 overall. See table below.
8. Progress of primary-aged learners has been very well supported through the introduction of INSIGHT tracking systems (2019 - 21), and showed favourable patterns in line with our strong Ofsted profile until March 2020. Since that time our crisis response has been strong and well received by parents in all schools, coordinated by the Critical Incident Response Team, including 3 trustees. It is noticeable that interactivity with pupils and their homes has been effective, while attendance has been strong, especially in the primary sector of the Trust. Some schools have near-normal attendance.

**Report of the Trustees
for the Year Ended 31 August 2021**

9. It is also true to say, however, that early evidence shows that progress has been uneven during 'lockdown' and some students, especially those who are disadvantaged, will need additional interventions from 1 September to support their learning recovery. We have updated our School Improvement Strategy to this effect.

Student Academic Performance

Primary Phase

In 2020 the usual measures in KS1 & KS2 for progress and accountability were suspended. From the end of March, teaching was intermittently delivered to learners working at home, although it was possible from the early March to welcome them back onto sites. Nevertheless, inputs were compromised by the lack of immediate contact with students, and difficulties in giving feedback.

From the start of September 2020 all schools have been working hard to baseline all learners and discover gaps which have appeared due to these interruptions to learning. This has particularly affected disadvantaged groups. Catch-up moneys are being deployed with this assessment information in mind, with greater impact expected through primary pooling of moneys and a collaborative approach, led by the Dir. of School Improvement.

It appears that productive skills (writing, speaking) have been affected more directly than receptive skills (reading, listening), and this is not surprising. It is, as always, the first priority of the Trust to support the progress of all students to a good standard of development, and the particular context of 2020-1 has presented new challenges in this. All the same, schools are positive both about the baselining carried out early in this academic year, and the ability of learners to progress.

Our group of 10 schools is very popular with parents, and the majority are over-subscribed. Sponsored school St Martin's Garden is gaining popularity with parents; in-year admissions have been strong.

Secondary Phase KS4 Results

Ralph Allen GCSE Examination results for the last five years

	2017 PP* 18%	2018 PP 27%	2019 PP 20%	2020 PP 17 %	2021 PP 21%
Progress 8	0.2	0.08	0.09	0.48	0.61
Progress 8 non-pp	0.29	0.3	0.26	0.72	0.77
Progress 8 pp	-0.17	-0.5	-0.51	-0.73	-0.01
Gap	0.46	0.8	0.77	1.45	0.78
Progress 8 boys/girls	-0.3/0.2	-0.16/0.22	-0.29/0.59	0.26/0.54	0.52/0.73
% 5 A* - C including English and Maths (EM)	72%	69%	74%	78%	71%
% 5 A* - C EM non-PP	75%	80%	81%	85%	77%
% 5 A* - C EM PP	61%	36%	45%	43%	49%
% 5 A* - C EM (girls)	70%	63%	73%	78%	71%
% 5 A* - C EM (boys)	74%	73%	74%	77.5%	71%
Gap between A*-C pp non-pp	14%	44%	36%	42%	28%
% A* - A (9-7)	26%	31%	33%	38%	36%
% English A* - C (9-4)	92% (0.38)	83% (0.14)	83% (0.24)	91% (0.45)	90% (0.73)
% Mathematics A* - C (9-4)	76% (0.14)	74% (-0.35)	75% (-0.29)	82% (0.20)	72 % (0.00)
% students achieving 5 or more A*-A(9-7) grades	23%	23%	31%	31%	28%
% students achieving a positive P8 grade	59%	55%	55%	71%	74%
% of students entered for EBACC	38%	37%	39%	42%	35%
% of students achieving EBACC	26%	29%	27%	37%	29%

*PP – students in receipt of Pupil Premium

KS5 Results

Ralph Allen School A-Level summary for the last five years

Year	Candidates	A* & A grades	A* - B grades	A* - C Grades	Points per student (All)	Points per student (F)	Points per student (M)	VA
2017	99	28%	62%	85%	36.9	39.1	33.8	0.42 0.29 0.51 0.57
2018	104	46%	73%	92%	42.43	39.5	45.3	
2019	79	34%	63%	84%	39.7	39.6	39.9	
2020	102	46%	73%	95%	43.21	44.29	41.68	
2021	92	61%	85%	95%	46.80	46.85	46.74	

Palladian Academy Trust (Registered number: 08061092)

Report of the Trustees
for the Year Ended 31 August 2021

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

The wider system implications of Covid-19 on future delivery of our charitable objectives will be greatly influenced by our fiscal and social context. This issue remains a key watching brief next year and beyond.

Promoting the success of the company

Under section 172(1) (1) to (f) of the companies Act 2006, directors of a company must act in a way most likely to promote the success of the company, and in doing so must have regard to :

- The likely consequences of any decisions in the long term
- The interest of the company's employees
- The need to foster the company's business relationship with supplier, customers and others
- The impact of the company's operations on the community and the environment
- The desirability of the company maintaining a reputation for high standards of business conduct
- The need to act fairly as between members of the company

The trustees have had regard to the above matters and have included examples throughout the trustees annual report and strategic report to highlight how the Trust has promoted the success of the charity to achieve its charitable purpose.

Financial review

Financial position

The Academy Trust's accounting period covers the twelve months from 1 September 2020 to 31 August 2021. The Academy Trust has adopted the Academies Financial Handbook, extant from 1 September 2020 for this accounting period.

Most of the Academy Trust's income is obtained from the Education and Skills Funding Authority (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the 12 month period ended 31 August 2021, and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust also received grants for fixed assets from the ESFA which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned.

The Academy Trust occupied a new build via the local authority Basic Need Fund to a total of £2,165,000 as detailed in the previous years report. During the year £583,447 of School Condition Allocation (SCA) and Devolved Formula Capital (DFC) grant funding has been received.

The trust was forecasting a year end deficit. However, due to interruption to planned spending as a direct result of Covid-19, we are reporting a surplus on general restricted funds (excluding pension reserve) plus unrestricted funds of £452,595 for the year ended 31 August 2021. The deferred planned activity from the previous year (around £700k) has been progressing from throughout the year with programme completion in Aug 22 in Covid secure ways to ensure the safe running of the trust

Trustees have considered the mitigation of Covid-19 impact throughout decision making and financial planning. Key decisions include postponing reorganisation activities, increasing investment in remote learning environment and cyber risk management, expanding cleaning & hygiene facilities as well as incurring or displacing spending to provide Covid 19 secure workplaces. This enabled all our schools to remain open during the 20/21 performance year.

Some of the land and buildings recognised on conversion in prior years comprise land and buildings owned by the Diocese of Bath & Wells and the Diocese of Salisbury. The Academy Trust has been granted the use of this land and buildings by the dioceses under Supplemental agreements. The Accounts Direction 2020 to 2021 requires the Academy Trust to determine whether it's rights over the premises meet the definition of an asset. In reaching this conclusion the Academy Trust has taken into account the views of each diocese. The Academy Trust has concluded based upon guidance from the respective diocese that the land and buildings owned by the Diocese of Bath & Wells should be recognised as assets on the balance sheet, on the basis that the Academy Trust has control over the access and works to this land and buildings, whereas for the Diocese of Salisbury the land and buildings have not been included as assets on the balance sheet as the Academy Trust is deemed to not have sufficient control over the site. See note 14 to the financial statements for more detail. Should further guidance on this treatment from the ESFA or either diocese becomes available in the future, the appropriateness of this treatment will be re-assessed.

Report of the Trustees
for the Year Ended 31 August 2021

STRATEGIC REPORT

As discussed in the accounting policies, leasehold land and buildings for new member schools joining the Academy Trust were valued internally by the Trustees by benchmarking the schools against publicly available valuations of schools in other locations in the absence of the DfE valuations (delayed by Covid 19).

Investment policy and objectives

The Academy Trust does not currently hold any significant investments other than periodic credit balances on its bank account on which it earns interest from time to time. If these surplus balances were to grow to any substantial level the Trust would apply the Trustees' investment powers as set down in the Memorandum and Articles of Association. This policy will be developed in line with the response to Climate Emergency Declaration.

Reserves policy

The Trustees' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the Academy Trust and to fund future projects. The reserves should ideally rest between 10-40 days running costs plus identified significant or capital projects contributions for future years. This would require reserves of between approximately £530,000 and £2,132,000. The Trustees intend to review the Reserves Policy annually to ensure that its aim is being achieved and believe that in the current year that has been achieved, with the acknowledgment that Covid-19 impact should be reviewed in the coming year to inform future reserves policy development.

In total, the funds of the Academy Trust at 31 August 2021 were £58,556,293 which is represented by £1,704,618 of unrestricted funds and £56,851,675 of restricted funds. £67,096,598 of restricted funds are represented by the net book value of fixed assets which can only be realised through the disposal of the fixed assets.

At the balance sheet date, the Academy Trust had free reserves (total funds less the amount held in fixed assets, any designated funds and restricted funds) of £1,315,755. The total balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was £2,397,002, which is slightly above 40 days running costs, however this is a temporary position due to the interruption of planned spending which will correct itself in the next year.

The unrestricted funds and restricted general funds (excluding pension reserve) balance relating to individual schools within the multi Academy Trust is separately monitored by the Academy Trust. These balances are disclosed within note 20 to the financial statements.

The Academy Trust has a designated fund representing any monies held by individual schools as part of their School Funds set aside to pursue extracurricular activities. At the year end date £388,863 in total was held in the School Funds for the schools within the Academy Trust.

Under Accounting Standard FRS102, it is necessary to charge projected deficits on the Local Government Pension Scheme, provided to support staff, to a restricted pension reserve. This was a deficit of £12,122,000 at the year end date. The actuarial valuation resulting in the pension deficit does not present the Academy Trust with any current liquidity problem as it is not a liability that must be settled immediately. More detail can be seen in note 21 of the financial statements.

Fundraising

Trustees take their responsibilities for fundraising seriously and comply with the Fundraising Regulator's Code of Fundraising Practice. The Trustees are aware of the Charity Commission publication on this matter and adopt the following principles to support fundraising;

- Planning effectively.
- Supervising fundraisers.
- Protecting the Academy Trust's reputation, money and other assets.
- Identifying and ensuring compliance with the laws or regulations that apply specifically to the Academy Trust's fundraising.
- Identifying and following any recognised standards that apply to the Academy Trust's fundraising.
- Being open and accountable.

The Academy Trust hasn't utilised any commercial participators or professional fundraisers during this period. Schools work with their parents and local Parent, Teacher Association (PTA) to engage their community in honest, open and transparent activities for local fundraising and voluntary contribution requests. All fundraising is monitored by Trustees. The trust has registered for gift aid.

Report of the Trustees
for the Year Ended 31 August 2021

STRATEGIC REPORT

Principal Risks and Uncertainties

The Academy Trust's financial team, the Finance and Resources Committee and the Board of Trustees continually review the Academy Trust's financial position and consider possible risks which may affect financial liquidity. The Trustees are not aware of any immediate risks to the financial position at present and continue to plan for the consequences of reduced real cash funding with an analysis covering several years. The Academy Trust has considerable reliance on continued Government funding through the EFSA, although we expect this to continue, there are no assurances that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

The Academy Trust is aware of other principal risks, which are:

- raised expectations of curriculum provision enshrined within the new Ofsted framework: learning residue, curriculum sequencing and cohesion across Key Stages
- additional changes in the 2020 framework to which schools must adapt - non-controllable increases in costs - pay awards, national insurance & pension reform and wider inflationary cost increases to utilities and other services.
- continued funding reductions and budget cuts across the wider public and transport sector which directly impact on parents, pupils and school partners.
- campus facilities and ICT infrastructure requiring improvement across all of its estates
- declaration of climate emergency in locality with the aim to achieve carbon neutrality by 2030
- those presented by Covid19 as we plan to return all learners to school sites from September 2021, normalising attendance, stabilising progress & mitigating the effects of uneven learning trajectory during lockdown
- How the financial and operational effects of Covid19 will affect the Trust during 2021 and beyond.
- Any implications of increased McCloud judgement pension liabilities arising from the latest Government consultation

The Trustees seek to mitigate or remove these risks by:

- the outstanding learning provision with progression for all learners including growth of school improvement capacity including the growth of capacity giving schools joining the trust alongside those who need additional support.
- continual scrutiny and monitoring of expenditure.
- the existence of plans for future campus developments and readiness to submit bids for any expenditure that becomes available.
- identifying synergistic savings within the Multi-Academy Trust.
- ensuring that there is secure knowledge of our profile and our offer within our community of schools, businesses, partners and wider markets.
- identifying where our organisation can contribute to reducing and reversing the risk of climate change through review of our policy and practise related to curriculum and running our organisation.
- accelerating and emphasising single employer opportunities in recruitment and retention, shadow structures and 'growing talent' activity.
- a values-driven approach, through the delivery of the Palladian Promise and Trust Development Plan predicated upon our five core values.
- strongly centralised crisis response through the CIRT group, which has the skill set to support and challenge all schools, with trustee capacity integrated

Future plans

- Embed the Palladian Commitment, Vision and Values which underpin all we do for the benefit of our learners
- Refine Growth Strategy in light of the evolving landscape, including the wider development of relationships with Wiltshire, Somerset and Bath schools and a focus on secondary phase school improvement work.
- Strengthen and further develop the Trust wide professional development offer for all colleagues so there is a great educator in every classroom and non-classroom based roles have equal values and pathways of development. This is co-ordinated by the new role of Leader of CPLD from November 2020 and the new Head of HR from March 2021
- Continue with environmental scanning for enablers to progress collaborative working and learning both within the Trust, locally and nationally. This includes school to school support work with the local secondaries and church schools, ITT collaboratives and the Trust to Trust working. Begin to look at Palladian as a civic structure which can be a capacity giver as well as a capacity receiver.
- Refresh financial forecasts in the light of the government funding announcements and wider system budgetary challenges and cuts including Covid-19 recovery
- Formulate a strategy to achieve balanced budgets through an affordable curriculum, integrated planning, and the focused development of resources, staffing structures and campus
- Refine the Estates Strategy, in particular master planning, condition, suitability and compliance in response to the climate emergency declaration and movement to the School Condition Allocation model of funding from the Education Skills Finance Agency

Report of the Trustees
for the Year Ended 31 August 2021

STRATEGIC REPORT

- In Terms 5 and 6, begin the CEO transition through join planning and crossover attendance at Board and Leadership meetings and development sessions.
- Primary pooling of catch up premium to ensure a co-ordinated approach to supporting vulnerable learners through Trust wide initiatives and directing resources where most needed.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charity constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of Palladian Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company operates and is known as Palladian Academy Trust (PAT).

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' Liability

Each member of the academy trust undertakes to contribute to the assets of the company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before they cease to be a member.

Trustees' Indemnities

In accordance with current education sector practice the Academy Trust has become a member of the government run Risk Protection Arrangements (RPA) to protect Trustees and officers from claims arising from breach of duty, breach of trust, neglect, error or omission committed solely in the course of Academy Trust business. The arrangements provide cover up to £10,000,000 on any one loss and any one membership year.

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed by the members. Foundation Trustees are appointed by the Bath and Wells Diocese Board of Education (DBE) Trust or the Salisbury Diocese Board of Education in accordance with the memorandum of understanding. The Chief Executive Officer (CEO) of the Academy Trust is appointed by the Trustees. The Chair of the Trustees is elected annually by the Trustees. Chairs of committees including School Local Governing Bodies are also appointed by the Trustees.

The Articles stipulate that the Academy Trust shall have the following Trustees:

- Up to 7 Trustees appointed by the Trust Members
- Up to 4 Trustees appointed by the dioceses, subject to the condition that the number of such Trustees should not exceed one third of the total number
- The Chief Executive Officer, as Accounting Officer

In appointing Trustees, the Trust Members seek to bring an appropriate range of skills and experience into the Board of Trustees in order for it to carry out its responsibilities effectively and to promote the success of the charity to achieve its charitable purpose. Up to two co-opted Trustees can be appointed as detailed in article 58 of the Articles of Association. The trust utilises organisations such as Academies Ambassadors to support recruitment of high quality and skilled trustees.

Trustees are appointed for a four year period, except that this time limit does not apply to the Chief Executive Officer. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed. Trustees will usually be linked to a specific school governing body committee to promote communication and understanding, strengthening inter-school connection and specific interests of foundation trustees and schools.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend on their existing experience but would always include meetings with the Chief Executive Officer, the Chief Operating Officer and the Chair of Trustees to ensure clarity around expectations on both sides. They would normally be expected to join a committee, so a meeting with the Chair of that committee will also happen. Due to the impact of Covid-19 and safe working practices all group governance activity continued virtually, with limited and carefully controlled on site visits in line with Covid secure risk assessments.

STRUCTURE, GOVERNANCE AND MANAGEMENT

A tour of the Academies within the Academy Trust will be conducted as soon as is practicable, and the opportunity taken to meet with the Headteachers of each Academy if possible. Where possible these meetings have continued on-line as part of Covid-19 response. Trustees will be given an Academy Trust specific email address, and access to policies, frameworks, plans and documents (including the Academies Handbook and Nolan Principles) as needed to enable them to undertake their role as Trustees. The Academy Trust encourages Trustees and committee members to attend internal and external training and development courses, and the Clerk regularly sends out lists of courses, network opportunities and professional resources including membership to the National Governance Association (NGA) and more recently the Confederation of School Trusts (CST). Virtual Trust wide governance meetings have attracted approximately 90 attendees are designed with specific focus in developing and delivering the charitable objectives of the trust.

Organisational Structure

The Academy Trust's Members are the custodians of the constitution and will consider, and if appropriate, approve any changes to the Articles of Association at a general meeting. They will also receive the statutory accounts at the Annual General Meeting.

The Academy Trust is established on the basis that the Board of Trustees has significant levels of power and authority to ensure solvency and to determine strategy, policy and standards for the Academy Trust as a whole. School Governing Bodies and other Academy Trust-wide committees have duties to support the Board of Trustees in these responsibilities, to focus on the delivery of the vision against the Academy Trust's standards and to engage with stakeholders internally and externally to ensure their needs are being met. The Board of Trustees meets at least six times a year.

The Academy Trust has developed a Governance Framework document and financial scheme of delegation to clearly communicate the scheme of delegation (including reserved matters that cannot be delegated to committees), which describes the membership, terms of reference and procedures for Committees of the Board. The Board of Trustees is also the source of delegation to the Extended Leadership Team (ELT) and its members. All delegation to staff then flows from the ELT. Apart from the School Governing Bodies, there are four Trust wide standing committees: Audit and Risk Management, Finance and Resources, Human Resources, Remuneration and Selection and Progress & Achievement. Additionally, as an advisory group of the Trust Board, the Trust has constituted a Chair of Committees Group, consisting of the Chair of the Trustees, and the Chairs of each of the Trust wide and School Governing Bodies. The Board of Trustees reserves decisions such as: approving the development plan and budget; considering any proposals for changes to the status or the constitution of the Academy Trust and its committee structure; and appointing or removing the Chair of the Board of Trustees, CEO and Clerk to the Board of Trustees.

The Board of Trustees has devolved the day-to-day operational management of the Academy Trust to the CEO. The CEO leads the Extended Leadership Team which also includes the Chief Operating Officer (COO), Director of School Improvement (DSI) and the Headteachers. A Core team from this number have been operating during this year period to support that planning and implementation of ELT activity, this team are made up of the CEO, COO, DSI, a secondary phase head and two primary phase heads. Continuing response to the pandemic crisis has been to utilise a time limited committee with delegated powers from the Board to support and challenge decision making across the organisation in response to Covid-19 emergency planning. This group is known as Critical Incident Response Team (CIRT) and is a combination of trustees with the Core ELT and reports to the Audit & Risk Committee.

Details of the Members, Trustees, Clerk and Extended Leadership Team are included in the Administrative Details on Page 1.

Key management remuneration

The Trustees of the Palladian Academy Trust and the Extended Leadership Team, comprising the Chief Executive Officer, Chief Operating Officer, Director of School Improvement and the Headteacher of each school are the key management personnel of the Trust.

The Trustees give their time freely and no Trustee remuneration was paid in the year in respect of fulfilling their role as Trustees. Staff Trustees only receive remuneration in respect of services they provide undertaking their roles as staff members.

Report of the Trustees
for the Year Ended 31 August 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Key management remuneration (continued)

The pay of senior staff is set in accordance with National Teachers pay and staffing conditions or National Joint Committee 'Green Book'. The pay of senior staff is reviewed and agreed annually by the Board of Trustees with the support of the HR, Remuneration & Selection Committee in line with the national cost of living pay awards for teaching and support staff. In addition, there is a Chief Executive's Appraisal Panel to oversee the process of appraisal for the CEO's performance in line with the Academy Trust's appraisal and remuneration policies and other related HR policies and procedures. Senior staff can also be awarded pay increments by the HR, Remuneration and Selection Committee only after a successful performance review process has been carried out in line with the Academy Trust's Pay Policy.

Trade Union Facility Time

Under the provision of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an Academy Trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations. Facility time publication legislation requires public sector employers with more than 49 full-time equivalent employees to publish information every year about their usage and spend on trade union facility time. Facility time is the provision of paid or unpaid time off from an employee's normal role to undertake trade union duties and activities a trade union representative. There is a statutory entitlement to reasonable paid time off for undertaking union duties (but not activities).

The Palladian Academy Trust meets its statutory obligations to provide facility time to trade union representatives by pooling resources with other schools and academies within the Local Authorities, to cover the time spent by trade union representatives across a number of different employers. No relevant union officials are therefore employed by the Academy Trust. We will, therefore, publish facility time information as the total cost of our contribution to pooled facility time expressed as a percentage of our total pay bill for the relevant period. For the period 1 April 2020 - 31 March 2021, the Palladian Academy Trust spent 0.04% of the total pay bill on facility time.

Connected Organisations, Including Related Party Relationships

Academy Trust. The Academy Trust regularly collaborates with other multi academy trusts and networks, local universities, diocese and other primary and secondary school networks in relation to general delivery of charitable objectives and active participation in our local community.

There are a number of Parent Teacher Associations (PTAs) associated with individual academies in our Academy Trust.

The Trust applies the policy of 'at-cost' and full disclosure of any related party transactions. It is the Academy Trust's intention to keep any related party transactions to a minimum unless they represent greater value for money than the alternative. Approval in advance from the ESFA was obtained during this period to engage Trustee Antony Moore in related party and arms length transaction to the value of £3,700. This activity was managed in line with policy guidelines.

Engagement with employees (Including disabled persons)

The Academy Trust is committed to employee involvement throughout the Academy Trust. Employees are kept well informed and participate in development of the aims and strategy of the Academy Trust through a variety of communications such as personal briefings, regular meetings, trust wide training days and sessions, workforce working parties & survey, emails and publications including staff handbook, newsletters and leadership bulletins. Individual staff and team performance is clearly linked to the success of the organisation, overall pupil experience and community standing. High levels of employee consultation have been crucial to the production and development of Risk Assessments (organisational and individual) to mitigate risks associate with Covid-19 and enable all trust schools to open throughout this reporting period. Trustees have supported the development of the People Strategy built upon the pillars of the Trust values. Wellbeing remains a key value and focus of the trust and additional support has been procured for an employee assistance scheme including counselling provision, working from home arrangements and equipment and increased limits for the cycle to work scheme to enable access to electric bikes as requested by staff.

The Academy Trust is clear in its policy that people with disabilities should have full and fair consideration for all vacancies. The Academy Trust has a commitment to interviewing those people with disabilities who fulfil the minimum requirements. The Academy Trust is committed to retaining employees in the workforce if they become disabled during employment. The Academy Trust acts to adjust employees' environments or hours or days of work where possible to enable them to maximise their potential and uses occupational health services to advise about reasonable adjustments the organisation should put in place. Participation in sector wide survey activity during this reporting period continues to support the development of the Trust Equality, Diversity and Inclusion work.

Report of the Trustees
for the Year Ended 31 August 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Engagement with suppliers, customers and others in a business relationship with

Pupil, parent, supplier and wider community engagement and impact has been clear during the continued Covid-19 disruptions since March 2019. All of the Trust's schools remained open, providing Free School Meal packs and vouchers to those families most in need, provision for key worker and vulnerable pupils including covering holiday periods. The Trust has been able to support key business relationships and local providers with the proportionate application of the procurement notices PPN 04/20, 10/20 & 01/21 published by the Cabinet during this reporting period. Meaning we have supported system capacity in areas such as catering, cleaning, staffing supply and exam provision where appropriate and adapted our procurement procedure for emergencies.

The trust has declared a climate emergency and aims to be carbon neutral in 2030. Identification of decarbonisation opportunities has resulted in preparations and submission to the Government's Salix decarbonisation grant scheme. Key contracts have been renegotiated with climate impact a key component.

The Trust benefits from the generosity of the community, governors, staff and parents volunteering significant time to support our charitable activities. As a result of Covid-19 the 'in-school' volunteer workforce has been severely restricted in support of safe working and social distancing requirements. There has also been a negative impact on general parental voluntary donations, school fundraising activities by PTA's and income from letting the school for the wider community benefit. The Trust has maintained communication and connection with all parties to offer and receive support through this period. The Trust has worked closely with parents and partner local authorities to maintain access to food parcels or food vouchers throughout this period. In partnership with the Sporting Family Change, St Martin's Garden Primary have set up a community pantry to support families in need.

FUNDS HELD AS CUSTODIAN FOR OTHERS

No funds were held as a custodian on behalf of others.

STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2021

	2020/21	2019/20
Energy consumption break down (kWh)		
- Gas	2,600,436	1,973,837
- Electricity	1,104,971	861,582
- Transport fuel	2,509	52
Scope 1 emissions in metric tonnes CO2e		
Gas consumption	476.30	362.93
Owned transport - mini-buses	0.57	3.06
Total Scope 1	476.87	365.99
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity	234.62	200.87
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee owned vehicles	0.02	0.69
Total gross emissions in metric tonnes CO2e	711.50	567.55
Intensity ratio Tonnes CO2e per pupil	0.20	0.17

Quantification and Reporting Methodology

We have followed the 2020 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate Standards and have used the 2021 Government Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Report of the Trustees
for the Year Ended 31 August 2021

Measures taken to improve energy efficiency

We have increased online conferencing for staff, parent and business meetings, accelerated by the Covid-19 pandemic impact on operational activities, which has reduced the need for travel between sites. We have unfortunately had to continually heat our buildings with doors and windows open as part of safety mitigation for keeping schools open during this period.

We have a programme of smart meter installation, which has been disrupted by Covid 19 and is due to recommence in later part of 2021

We have recently installed a third Solar PV scheme at Ralph Allen School with support from Bath & West Community Energy. The 24kWp system has been installed at no expense to the school, and will we will benefit from cheaper, greener electricity than we can buy from the grid. Also as we're generating more green electricity on-site, we in turn reduce our reliance on the grid, and further reduce our school's carbon footprint. The installation will save approximately 6 tonnes of CO2 each year. We have improved roof insulation at St Martin's Garden. Walking buses for pupils, increasing the cycle to work scheme to include electric bikes alongside a guaranteed ride home on the car share scheme help reduce our diesel and petrol vehicle use (fleet and private).

We have become founding members of the Schools Climate Network (SCN) to promote energy efficiency action including curriculum development. Our schools have implemented energy efficiency drives involving staff, pupils and parents.

These works are examples of our action in response to our strategic intent detailed in our declaration of a trust wide climate emergency and desire to be carbon neutral by 2030. We have submitted bids to the Salix public sector decarbonisation fund to replace old gas boilers with air source heat pumps. We have also submitted a bid to help develop a decarbonisation plan from the low skills fund. Schools are exploring electric charging stations and improvements to storage and welfare facilities to support additional walkers and cyclists.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the academy trust's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the academy trust's auditors are aware of that information.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 16 December 2021 and signed on the board's behalf by:



.....
R L Balch - Chair (from 19.04.21)

Palladian Academy Trust

Governance Statement
for the Year Ended 31 August 2021

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Palladian Academy Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement of loss.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance and clerking.

The board of the trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Palladian Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
R Balch (Chair from 19.04.21)	7	7
R Franks (Chair until 18.04.21)	4	7
S Apps	7	7
P Black	3	7
R Bullard	7	7
E Commander	6	7
W Hobhouse	1	7
C Mason	7	7
C Mercer (resigned 30.09.20)	1	1
A Moore	7	7
A Norman (resigned 29.03.21)	1	5
M Robbins	7	7
R Whelan (term ended 18.12.20)	3	3
T Withers (CEO and accounting officer) (until 31.08.21)	7	7

The activities of the Board of Trustees have covered the following:

- Determining a vision for the Academy Trust that promotes learning and the moral, social and cultural development of pupils and students.
- Ensuring that the vision and its achievement underpins all strategic planning and decision making including a targeted growth plan with cross local authority and secondary phases focus, including a memorandum of understanding to explore partnership working with Three Way School.
- Developing the values of the Academy Trust and ensure that they underpin all decision making.
- Developing, agreeing, implementing and monitoring all the Academy Trust's strategies and policies for the achievement of the vision.
- Developing, reviewing and taking ownership of the Academy Trust's strategic plan (incorporating academy financial plans), and monitoring its implementation.
- Ensuring that the Academy Trust keeps within its legal obligations and complies with all necessary constitutional and regulatory requirements.
- Ensuring that the Academy Trust remains solvent through effective financial planning, performance monitoring, risk management and a focus on value for money.
- Ensuring that all academies within the Academy Trust attain high standards and demonstrate at least good progress against national indicators.
- Agreeing and overseeing the implementation of a strategy for the development of the Academy Trust, including development of key partners at member, board and school level.
- Recruiting a strong Chair of the Board and Chief Executive Officer to progress development of the Trust
- Providing challenge and support to the Chief Executive and the other members of the Executive Leadership Team.

Palladian Academy Trust

Governance Statement
for the Year Ended 31 August 2021

- Maintaining an overall control and consistency of approach across the Academy Trust and its academies through annual review which has informed development of:
 - Strong governance arrangements by enhancing committee arrangements for standards and educational outcomes, specific link trustees and growth of trustee expertise in business growth.
 - Clear and appropriate levels of delegated authority by refreshing the governance framework and clarifying the roles and relationship between the board and the school governing body committees in relation to standards, finance and governance recruitment and development in particular.
 - Unified frameworks for strategic planning, risk management, policy making and performance review including progress of pupil attainment.
 - The promotion of collaborative working and the sharing of resources across all academies within the Academy Trust by strengthening the professional expertise in central services across human resources, governance, finance and compliance and communication.
 - Development of Progress & Achievement trust wide sub-committee with focus on pupils experiencing disadvantage
 - Securing appropriate and dynamic response to significant events such Covid-19 impact & Brexit; with particular support for pupils, staff and families

Governance Review

The Academy Trust has utilised the services of the National Governance Association (NGA) and specifically recruited a trustee who was designated a National Leader of Governance in 2016 and re-designated in 2021, recognising her contribution to school improvement in this area, to support the Board and to be Chair of the Trust Board. Internal self evaluation and a review of the scheme of delegation was undertaken in the year drawing on texts such as Building Strong Academy Trust (DfE April 2021) & Leading Academy Trusts (David Carter with Laura Mcinerney) and CST briefings board.

- Understanding School Assessment
- PAT Complaints Policy and Panels
- Understanding School Finance
- School Development Plans and Trust Development Plan
- New Normal- Virtual Governance Monitoring
- Online Safety for Governors
- Trust Dividend and Trust Development

Finance and Resources Committee

The Finance and Resources Committee is a sub-committee of the main Board of Trustees. During the year the committee met five times and activities covered:

- Ensuring that The Academy Trust's framework of financial planning, treasury management, systems and controls is enabling the proper management of the financial resources across the Academy Trust.
- Supporting the Board of Trustees in ensuring that a framework is established and maintained for optimising the employment of all financial and other resources (not human) available to the Academy Trust to enable it to meet its business and financial objectives.
- Supporting the Board of Trustees in providing an added level of scrutiny in the monitoring of finance and resources.
- Keeping the Board of Trustees regularly informed of the committee's activities and key decisions.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
R Whelan (Chair) (term ended 18.12.20)	2	2
C Mason (Chair) (joined committee 19.12.20)	3	3
R Bullard	5	5
M Robbins	5	5
T Withers	5	5

Audit and Risk Committee

The Audit and Risk Committee is a sub-committee of the main Board of Trustees. During the year the committee met four times and activities covered:

- Monitoring and assessing internal controls to ensure that the Academy Trust as a whole is operating at appropriate levels of risk and in compliance with the Code of Audit Practice.
- Taking responsibility for external and internal audit matters, oversee the work programme and performance quality of the internal and external audit services.
- Supporting the Board of Trustees in ensuring that a framework is established and maintained for the identification and management of risk.
- Supporting the Board of Trustees in providing an added level of scrutiny in the monitoring of audit and risk.
- Keeping the Board of Trustees regularly informed of the committee's activities and key decisions.

Palladian Academy Trust

Governance Statement
for the Year Ended 31 August 2021

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
C Mason (Chair) (resigned as committee member 02.03.21)	2	2
R Balch	4	4
E Commander (Chair from 20.05.21)	3	4
T Withers	4	4

Review of Value for Money

As Accounting Officer the Chief Executive Officer has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Delivery of teaching and learning for our learners throughout the period, responding to national and local lockdowns and challenges in relation to Covid-19 restrictions & response. Setting up testing sites at secondary phase and promoting self-testing regimes trust wide whilst supporting health agencies with track and trace activity. Providing uninterrupted provision of educational services for all children, at times simultaneously providing on line and on site learning to support the needs of key worker families and vulnerable pupils. Dynamically supporting families most in need with food, electronic devices and educational & wellbeing resources.
- Rolling out key elements of our IT Strategy, in particular the office 365 project and single tenancy, progressing transition to virtual servers, improving cyber security and back up functionality, increasing internet speeds.
- Tender Activity: A tender for multi-functional devices (MFD) was completed and the recommendation will provide the Trust with a £98k saving over the initial contract term (3yrs commencing in 21/22). Activity to secure recommendation for the updating of the financial management system was also completed, taking the opportunity to combine budget planning and financial management systems with the requirement to reduce double handling of data.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Palladian Academy Trust for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and Resources Committee and the Audit and Risk Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

Palladian Academy Trust
Governance Statement
for the Year Ended 31 August 2021

The Board of Trustees have considered the need for a specific internal audit function and has decided to appoint One West, an internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The checks carried out in the current period included:

- reviewing the financial procedures and scheme of delegation
- testing of purchasing systems
- testing of related party transactions
- testing of the trust risk register
- testing of safer recruitment process and transactions
- testing of Covid-19 claim

The internal auditor reported to the Board of Trustees, through the Audit and Risk Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The annual report will be submitted to the DfE along with the audited accounts.

As planned, these checks have included checking key financial systems of payroll, purchasing and income for the two newly joined academies in the prior year, transactional purchasing, purchase card testing, cash handling, related party transactions, trust risk register, single central record, pre-employment checks, Covid claims and free school meal activity; no material issues were noted. The audit programme was undertaken as planned despite Covid-19 interruptions extending the completion by one month.

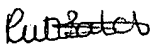
Review of Effectiveness

As Accounting Officer the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

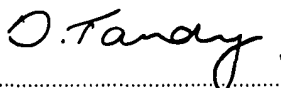
- the work of the internal auditor;
- the work of the external auditor;
- the school resource management self-assessment tool;
- the work of the ESFA financial and governance review;
- the work of the DPO audit;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit and Risk Committee and Finance and Resources Committee of the Board of Trustees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 16 December 2021 and signed on its behalf by:



.....
R L Balch - Chair (from 19.04.21)



.....
D Tandy - Accounting Officer (from 01.09.21)

Palladian Academy Trust

Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2021

As accounting officer of Palladian Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.

D. Tandy

.....
D Tandy - Accounting Officer (from 01.09.21)

Date: 16 December 2021

Palladian Academy Trust

Statement of Trustees' Responsibilities
for the Year Ended 31 August 2021

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure for that period. In preparing these financial statements the trustees are required to:

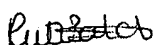
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether or not applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom, governing the preparation and dissemination of financial statements, may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on 16 December 2021 and signed on its behalf by:



.....
R L Balch - Chair (from 19.04.21)

**Report of the Independent Auditors to the Members of
Palladian Academy Trust**

Opinion

We have audited the financial statements of Palladian Academy Trust (the 'academy trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland';
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of
Palladian Academy Trust**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are *not in agreement with the accounting records and returns*; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Based on our understanding of the academy and the education section, we identified that the principal risks of non-compliance with laws and regulations related to the regulations prescribed in the Academies Trust Handbook, safeguarding, health and safety, employment law, and Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements of the academy. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Academies Accounts Direction, Charities Statement of Recommended Practice and Companies Act 2006.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to revenue recognition and management override. Audit procedures performed by the audit engagement team included:

- Enquiry of management and those charged with governance about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Understanding of management's internal controls designed to prevent and detect irregularities and fraud;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing analytical procedures to identify any unusual or unexpected relationship that might indicate a risk of material misstatement due to fraud;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and the transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**Report of the Independent Auditors to the Members of
Palladian Academy Trust**

Use of our report

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



James Gare (Senior Statutory Auditor)
for and on behalf of MHA Monahans
Statutory Auditor
Chartered Accountants
Fortescue House
Court Street
Trowbridge
Wiltshire
BA14 8FA

Date: 17 December 2021.....

**Independent Reporting Accountant's Assurance Report on Regularity to
Palladian Academy Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Palladian Academy Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Palladian Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Palladian Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Palladian Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Palladian Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Palladian Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2020 to 2021 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion, includes, but is not limited to:

- Enquiry of senior management and the Academy's Trustees.
- Inspection and review of the accounting records, meeting minutes, prior year regularity report, internal control procedures, management representations and declarations of interest.
- Observation and re-performance of the financial controls.
- Review of the results of the Academy's process of independent checking of financial controls, systems, transactions and risks
- Consideration of governance issues

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



MHA Monahans
Chartered Accountants
Reporting Accountant
Fortescue House
Court Street
Trowbridge
Wiltshire
BA14 8FA

Date: 17 December 2021

Palladian Academy Trust

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2021

				2021	2020
	Notes	Unrestricted funds £	Restricted General funds £	Restricted Fixed Asset funds £	Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and capital grants	2	159,244	-	583,447	742,691
Transfer from Local Authority on conversion		-	-	-	-
Charitable activities					
Funding for the academy's educational operations	3	301,836	19,059,124	-	19,360,960
Other trading activities	4	301,158	-	-	301,158
Investment income	5	642	-	-	642
Total		762,880	19,059,124	583,447	20,405,451
EXPENDITURE ON					
Raising funds	7	173,298	-	-	173,298
Charitable activities					
Academy's educational operations	3	388,192	19,257,790	1,111,092	20,757,074
Total	6	561,490	19,257,790	1,111,092	20,930,372
NET INCOME/(EXPENDITURE)		201,390	(198,666)	(527,645)	(524,921)
Transfers between funds	20	(110,600)	(163,529)	274,129	-
Other recognised gains/(losses)					
Actuarial gains/(losses) on defined benefit schemes		-	(2,106,000)	-	(2,106,000)
Net movement in funds		90,790	(2,468,195)	(253,516)	7,641,165
RECONCILIATION OF FUNDS					
Total funds brought forward		1,613,828	(8,961,421)	68,534,807	61,187,214
TOTAL FUNDS CARRIED FORWARD		1,704,618	(11,429,616)	68,281,291	61,187,214

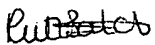
The notes form part of these financial statements

Palladian Academy Trust (Registered number: 08061092)

Balance Sheet
31 August 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	14	67,096,598	67,391,880
CURRENT ASSETS			
Debtors	15	1,252,167	928,711
Cash at bank		<u>4,144,453</u>	<u>4,021,040</u>
		5,396,620	4,949,751
CREDITORS			
Amounts falling due within one year	16	<u>(1,586,309)</u>	<u>(1,644,099)</u>
NET CURRENT ASSETS		<u>3,810,311</u>	<u>3,305,652</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		70,906,909	70,697,532
CREDITORS			
Amounts falling due after more than one year	17	(228,616)	(218,318)
PENSION LIABILITY	21	<u>(12,122,000)</u>	<u>(9,292,000)</u>
NET ASSETS		<u>58,556,293</u>	<u>61,187,214</u>
FUNDS	20		
Restricted funds:			
Fixed asset funds		68,281,291	68,534,807
Restricted income funds		692,384	330,579
Pension reserve		<u>(12,122,000)</u>	<u>(9,292,000)</u>
		56,851,675	59,573,386
Unrestricted income funds		<u>1,704,618</u>	<u>1,613,828</u>
TOTAL FUNDS		<u>58,556,293</u>	<u>61,187,214</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 16 December 2021 and were signed on its behalf by:



.....
R L Balch - Chair (from 19.04.21)

The notes form part of these financial statements

Palladian Academy Trust

Cash Flow Statement
for the Year Ended 31 August 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	24	(1,126)	1,946,014
Interest paid		<u>(2,195)</u>	<u>(2,196)</u>
Net cash (used in)/provided by operating activities		<u>(3,321)</u>	<u>1,943,818</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(454,133)	(1,830,880)
Capital grants from DfE/EFA		569,927	1,148,057
Interest received		<u>642</u>	<u>2,674</u>
Net cash provided by/(used in) investing activities		<u>116,436</u>	<u>(680,149)</u>
Cash flows from financing activities			
Loan repayments in year		(10,702)	(31,702)
Reversal of accrual for loan payments		<u>21,000</u>	<u>-</u>
Net cash provided by/(used in) financing activities		<u>10,298</u>	<u>(31,702)</u>
Cash transferred on conversion to an academy		<u>-</u>	<u>248,491</u>
Change in cash and cash equivalents in the reporting period		123,413	1,480,458
Cash and cash equivalents at the beginning of the reporting period		<u>4,021,040</u>	<u>2,540,582</u>
Cash and cash equivalents at the end of the reporting period		<u><u>4,144,453</u></u>	<u><u>4,021,040</u></u>

The notes form part of these financial statements

Palladian Academy Trust

Notes to the Financial Statements
for the Year Ended 31 August 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

Palladian Academy Trust is a company limited by guarantee incorporated in England. The address of the registered office is given in the Reference and Administrative Details given on page 1 of these financial statements. The nature of the academy trusts operations and principal activities are set out in the Report of the Trustees on page 2.

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements. The trustees have considered the impact of the Covid-19 pandemic in reaching this conclusion.

Income

All income is recognised in the Statement of Financial Activities once the academy trust has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

Other income including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Transfer on conversion

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Palladian Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

1. ACCOUNTING POLICIES - continued

Donated fixed assets

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. *Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.*

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

Tangible fixed assets

Assets costing £1,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives. Where an asset comprises of two or more components which have substantially different lives each component is depreciated separately over its useful economic life. The expected useful lives are as follows:

Land and buildings

Leasehold land	Straight line over 125 years
Main Fabric	Straight line over 100 years
Roof	Straight line over 70 years
Windows & External Doors	Straight line over 30 years
Gas Boiler / Fires	Straight line over 15 years
Bathrooms	Straight line over 20 years
Kitchens	Straight line over 30 years
Mechanical Systems	Straight line over 30 years
Electrics	Straight line over 40 years

Freehold land is not depreciated. Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

Palladian Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Other fixed assets

Fixtures and fittings	Straight line over 5 years
Motor vehicles	Straight line over 7 years
Computer equipment	Straight line over 3 years

Certain leasehold property and land occupied by the academy trust is owned by Bath and Wells Diocese. The academy trust has been granted use of a number of school buildings from the Diocese under a selection of Supplemental Agreements. The school buildings are occupied, improved, extended and repaired by the academy trustees and the Diocese do not have control over the building until the academy trust ceases its occupation. Therefore the building meets the definition of an asset under FRS 102 'substance over form' concept and the building is included on the balance sheet of the academy trust on this basis. The ownership of the assets remains with the Diocese.

Leasehold land and buildings for new member schools joining the Academy Trust are valued internally by the Trustees by benchmarking the schools against publicly available valuations of schools in similar locations.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Stock

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within charitable activities.

Concessionary loans

Concessionary loans include those payable to a third party which are interest free or below market interest rates and are made to advance charitable purposes. Where the loan is repayable within one year, the loan is measured at cost, less impairment. Where the loan is repayable in more than one year, the loan is initially measured at the amount received and the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Palladian Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Designated funds represent those unrestricted funds identified by the trustees as relating to specific purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Palladian Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

1. ACCOUNTING POLICIES - continued

Critical accounting estimates and areas of judgement

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement and key sources of estimation

The most significant area of adjustment and key assumptions that affect items in the accounts are to do with estimating the value of land and buildings (see note 14 for more information). Likewise, this also represents, with respect to the next reporting period, the most significant area of uncertainty that affects the carrying value of assets held by the academy trust.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Donations	159,244	-	159,244	172,071
Grants	-	583,447	583,447	1,148,057
Donated services and facilities	-	-	-	23,300
	<u>159,244</u>	<u>583,447</u>	<u>742,691</u>	<u>1,343,428</u>

Grants received, included in the above, are as follows:

	2021 £	2020 £
Capital Grants	569,927	946,776
Local Authority Capital Grants	<u>13,520</u>	<u>201,281</u>
	<u>583,447</u>	<u>1,148,057</u>

Palladian Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds	Restricted funds	2021 Total funds	2020 Total funds Restated
	£	£	£	£
DfE/ESFA grants				
General Annual Grant (GAG)	-	15,263,909	15,263,909	13,981,771
Other DfE/ESFA grants				
Pupil Premium	-	718,582	718,582	728,916
UIFSM	-	349,598	349,598	327,377
Rates grant	-	72,723	72,723	53,354
Teachers' Pay Grant	-	208,829	208,829	181,003
Teachers' Pension Grant	-	541,645	541,645	541,151
PE and Sport Premium	-	162,920	162,920	170,073
Other DfE/ESFA Grants	-	7,997	7,997	12,382
	-	17,326,203	17,326,203	15,996,027
Other Government grant				
Local Authority Revenue Grants	-	1,325,487	1,325,487	1,118,334
Other Grants	5,170	-	5,170	3,663
Other grants				
Exceptional government fundings				
Covid-19 Catch-up Premium	-	297,791	297,791	-
Other DfE/ESFA Covid-19 Funding	-	78,177	78,177	-
Coronavirus Job Retention Scheme	-	9,988	9,988	18,220
Other non DfE/ESFA Covid-19 Funding	-	21,478	21,478	-
	5,170	1,732,921	1,738,091	1,140,217
Other income from the academy trust's educational operations	296,666	-	296,666	482,908
	<u>301,836</u>	<u>19,059,124</u>	<u>19,360,960</u>	<u>17,619,152</u>

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trust's funding for Pupil Premium, Universal Infant Free School Meals Pupil Premium (UIFSM), Rates Grant, Teachers' Pay Grant, Teachers' Pension Grant and PE and Sport Premium are no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The academy trust has been eligible to claim additional funding in the year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The academy received £297,791 of funding for Covid-19 Catch-up Premium and costs incurred in respect of this funding totalled £255,309, with £42,482 remaining to be spent in 2021/22.

The academy also received other Covid impact related funding in the form of various grants totalling £78,177 from DfE/ESFA sources and £21,478 from non DfE/ESFA sources and costs incurred in respect of this funding totalled £78,177 and £21,478 respectively, with £nil remaining to be spent in 2021/22.

The academy trust furloughed some of its catering staff under the government's CJRS. The funding received of £9,988 relates to staff costs in respect of catering staff which are included within note 10 as appropriate.

Palladian Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

4. OTHER TRADING ACTIVITIES

	Unrestricted funds	Restricted funds	2021 Total funds	2020 Total funds
	£	£	£	£
Lettings	46,359	-	46,359	78,596
School Fund	37,918	-	37,918	31,968
Other income	<u>216,881</u>	<u>-</u>	<u>216,881</u>	<u>259,104</u>
	<u>301,158</u>	<u>-</u>	<u>301,158</u>	<u>369,668</u>

5. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	2021 Total funds	2020 Total funds
	£	£	£	£
Short term deposits	<u>642</u>	<u>-</u>	<u>642</u>	<u>2,674</u>

6. EXPENDITURE

	Non-pay expenditure			2021	2020
	Staff costs	Premises	Other costs	Total	Total
	£	£	£	£	£
Raising funds					
Costs incurred by trading for a fundraising purpose					
Direct costs	32,173	-	141,125	173,298	319,650
Charitable activities					
Academy's educational operations					
Direct costs	13,138,481	638,678	1,296,395	15,073,554	13,668,990
Allocated support costs	<u>2,601,299</u>	<u>1,694,449</u>	<u>1,387,772</u>	<u>5,683,520</u>	<u>5,523,008</u>
	<u>15,771,953</u>	<u>2,333,127</u>	<u>2,825,292</u>	<u>20,930,372</u>	<u>19,511,648</u>

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Auditors' remuneration	18,000	17,200
Auditors' remuneration for non audit work	20,542	13,649
Depreciation - owned assets	749,415	699,202
Operating leases	<u>39,860</u>	<u>54,603</u>

Palladian Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

7. RAISING FUNDS

Costs incurred by trading for a fundraising purpose

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Staff costs	32,173	-	32,173	94,051
Other costs	<u>141,125</u>	<u>-</u>	<u>141,125</u>	<u>225,599</u>
	<u>173,298</u>	<u>-</u>	<u>173,298</u>	<u>319,650</u>

Costs incurred by trading for a fundraising purpose are those costs associated with income from other trading activities, such as lettings, school fund and other income such as funding received for teacher training. These costs include staff costs, educational activity and equipment costs, catering costs, external provider costs and various administration costs.

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Direct costs	28,217	15,045,337	15,073,554	13,668,990
Support costs	<u>359,975</u>	<u>5,323,545</u>	<u>5,683,520</u>	<u>5,523,008</u>
	<u>388,192</u>	<u>20,368,882</u>	<u>20,757,074</u>	<u>19,191,998</u>

	2021 Total £	2020 Total £
Analysis of support costs		
Support staff costs	2,601,299	2,652,300
Depreciation	110,738	100,275
Technology costs	65,044	68,106
Premises costs	1,585,195	1,416,587
Legal costs - new academy	-	17,709
Legal costs - other	20,280	20,533
Other support costs	1,153,168	1,062,691
Governance costs	<u>147,796</u>	<u>184,807</u>
Total support costs	<u>5,683,520</u>	<u>5,523,008</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The Chief Executive Officer and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer and staff members under their contracts of employment. The value of trustees' remuneration was as follows:

T Withers (Chief Executive Officer and Trustee) (until 31.08.21)
Remuneration £115,000 - £120,000 (2020: £110,000 - £115,000)
Employer's pension contributions £25,000 - £30,000 (2020: £25,000 - £30,000)

Palladian Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

9. TRUSTEES' REMUNERATION AND BENEFITS - continued

Trustees' expenses

During the year ended 31 August 2021, travel and subsistence expenses totalling £nil (2020: £796) were reimbursed to Trustees. Related party transactions involving the Trustees are set out in note 23.

10. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	11,180,130	10,488,587
Social security costs	1,006,717	935,717
Operating costs of defined benefit pension schemes	<u>3,280,738</u>	<u>3,035,001</u>
	15,467,585	14,459,305
Supply teacher costs	304,368	267,743
Staff restructuring costs	<u>-</u>	<u>4,500</u>
	<u><u>15,771,953</u></u>	<u><u>14,731,548</u></u>

Staff restructuring costs include redundancy costs totalling £nil (2020: £nil) and severance payments totalling £nil (2020: £4,500).

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2020: £4,500) and this reflected one payment.

Staff numbers and higher paid staff

The average number of persons (including senior management team) employed by the academy trust during the year was as follows:

	2021	2020
Teachers	207	214
Administration and support	286	281
Management	<u>13</u>	<u>13</u>
	<u><u>506</u></u>	<u><u>508</u></u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021	2020
£60,001 - £70,000	8	6
£70,001 - £80,000	2	1
£80,001 - £90,000	1	1
£110,000 - £120,000	<u>1</u>	<u>1</u>
	<u><u>12</u></u>	<u><u>9</u></u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team, i.e. the Executive Team of the Palladian Academy Trust, as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,189,648 (2020: £1,123,256).

Palladian Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

11. CENTRAL SERVICES

The academy trust has provided the following central services to its academies during the year:

- human resources
- financial service
- legal service
- educational support services
- others as arising

The trust charges for these services on a percentage of GAG for each member school. During the year ended 31 August 2021 the charge was 4% (2020: 4%) of GAG. The actual amounts charged during the year were as follows:

	2021 £	2020 £
Ralph Allen School	256,716	229,212
Combe Down Primary School	62,256	58,440
Fitzmaurice Primary School	45,099	39,534
Oldfield Park Infant School	28,464	26,916
Oldfield Park Junior School	37,992	38,484
St Martin's Gardens Primary School	37,512	46,692
St Philip's Primary School	43,356	41,604
Widcombe Infant School	27,972	26,316
Widcombe Junior School	35,400	33,252
Winsley Primary School	25,041	18,863
	<u>599,808</u>	<u>559,313</u>

12. TRUSTEES' AND OFFICERS' INSURANCE

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted General funds £	Restricted Fixed Asset funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	172,071	23,300	1,148,057	1,343,428
Transfer from Local Authority on conversion	187,821	(455,816)	8,294,886	8,026,891
Charitable activities				
Funding for the academy's educational operations	486,571	19,059,124	-	17,619,152
Other trading activities	369,668	-	-	369,668
Investment income	<u>2,674</u>	<u>-</u>	<u>-</u>	<u>2,674</u>
Total	1,218,805	18,626,608	9,442,943	27,361,813
EXPENDITURE ON				
Raising funds	319,650	-	-	319,650
Charitable activities				
Academy's educational operations	<u>424,904</u>	<u>19,257,790</u>	<u>1,111,092</u>	<u>19,191,998</u>
Total	744,554	19,257,790	1,111,092	19,511,648

Palladian Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted General funds £	Restricted Fixed Asset funds £	Total funds £
NET INCOME/(EXPENDITURE)	474,251	(631,182)	8,331,851	7,850,165
Transfers between funds	<u>(46,639)</u>	<u>(10,305)</u>	<u>56,944</u>	<u>-</u>
Other recognised gains/(losses) Actuarial gains/(losses) on defined benefit schemes	<u>-</u>	<u>(209,000)</u>	<u>-</u>	<u>(209,000)</u>
Net movement in funds	427,612	(850,487)	8,388,795	7,641,165
RECONCILIATION OF FUNDS				
Total funds brought forward	<u>1,186,216</u>	<u>(7,625,141)</u>	<u>59,984,974</u>	<u>53,546,049</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>1,613,828</u></u>	<u><u>(8,475,628)</u></u>	<u><u>68,373,769</u></u>	<u><u>61,187,214</u></u>

14. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Fixtures and fittings £
COST			
At 1 September 2020	28,600,750	41,815,100	791,832
Additions	<u>314,997</u>	<u>-</u>	<u>73,445</u>
At 31 August 2021	<u>28,915,747</u>	<u>41,815,100</u>	<u>865,277</u>
DEPRECIATION			
At 1 September 2020	2,256,003	1,041,581	633,112
Charge for year	<u>360,866</u>	<u>277,812</u>	<u>54,693</u>
At 31 August 2021	<u>2,616,869</u>	<u>1,319,393</u>	<u>687,805</u>
NET BOOK VALUE			
At 31 August 2021	<u><u>26,298,878</u></u>	<u><u>40,495,707</u></u>	<u><u>177,472</u></u>
At 31 August 2020	<u><u>26,344,747</u></u>	<u><u>40,773,519</u></u>	<u><u>158,720</u></u>

Palladian Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

14. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 September 2020	47,461	307,413	71,562,556
Additions	<u>-</u>	<u>65,691</u>	<u>454,133</u>
At 31 August 2021	<u>47,461</u>	<u>373,104</u>	<u>72,016,689</u>
DEPRECIATION			
At 1 September 2020	15,118	224,862	4,170,676
Charge for year	<u>4,913</u>	<u>51,131</u>	<u>749,415</u>
At 31 August 2021	<u>20,031</u>	<u>275,993</u>	<u>4,920,091</u>
NET BOOK VALUE			
At 31 August 2021	<u>27,430</u>	<u>97,111</u>	<u>67,096,598</u>
At 31 August 2020	<u>32,343</u>	<u>82,551</u>	<u>67,391,880</u>

Included in freehold property and long leasehold property is land of £38,454,500 (2020: £38,454,500).

£9,727,345 (2020: £9,813,227) of the leasehold land and buildings is represented by the land and buildings owned by the Diocese of Bath and Wells. The Diocese of Bath and Wells own the freehold of the majority of land and building of Combe Down Primary School, Widcombe Junior School and St Philip's Primary School. The academy trust occupies this element of the site under a licence. The school buildings are occupied, improved, extended and repaired by the academy trustees and the Diocese do not have control over the building until the academy ceases its occupation. Therefore the building meets the definition of an asset under FRS 102 'substance over form' concept and the building is included on the balance sheet of the academy trust on this basis. The ownership of these assets remains with the Diocese. Land and buildings owned by the Diocese of Salisbury have not been included on the balance sheet of the academy trust as the academy trust does not have control over them.

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	5,830	30,301
Other debtors	396	396
VAT	530,223	264,672
Prepayments and accrued income	<u>715,718</u>	<u>633,342</u>
	<u>1,252,167</u>	<u>928,711</u>

Palladian Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Other loans (see note 18)	38,930	38,930
Trade creditors	331,174	360,587
Social security and other taxes	232,505	215,052
Other creditors	294,854	301,629
Accruals and deferred income	<u>688,846</u>	<u>727,901</u>
	<u><u>1,586,309</u></u>	<u><u>1,644,099</u></u>

Deferred income

	2021	2020
	£	£
Resources deferred at 1 September 2020	230,542	275,818
Amounts released to incoming resources	(230,542)	(275,818)
Resources deferred in the year	<u>240,121</u>	<u>230,542</u>
Deferred income at 31 August 2021	<u><u>240,121</u></u>	<u><u>230,542</u></u>

At the balance sheet date the Academy Trust was holding funds received in advance in respect of trips organised through the school fund, universal infant free school meal grant and ESFA rates grants. In the prior year there was also some deferred catering income.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Other loans (see note 18)	<u><u>228,616</u></u>	<u><u>218,318</u></u>

18. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year on demand:		
Other loans	<u><u>38,930</u></u>	<u><u>38,930</u></u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u><u>38,930</u></u>	<u><u>38,930</u></u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u><u>84,686</u></u>	<u><u>95,388</u></u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Other loans - more than 5 years	105,000	84,000

Other loans relate to:

- concessionary loans, which are ESFA approved Salix loans. No interest is payable on these loans.
- a Capital Improvement Fund (CIF) loan for £210,000 received during the prior year towards a capital project on which interest is payable at 1.85%

Palladian Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

			2021
	Unrestricted funds £	Restricted General funds £	Restricted Fixed Asset funds £ Total funds £
Fixed assets	-	-	67,096,598
Current assets	1,704,618	2,507,309	1,184,693
Current liabilities	-	(1,586,309)	-
Long term liabilities	-	(228,616)	-
Pension liability	-	(12,122,000)	-
	<u>1,704,618</u>	<u>(11,429,616)</u>	<u>68,281,291</u>
			<u>58,556,293</u>

Comparative information in respect of the preceding period is as follows:

			2020
	Unrestricted funds £	Restricted General funds £	Restricted Fixed Asset funds £ Total funds £
Fixed assets	-	-	67,391,880
Current assets	1,672,886	1,869,109	1,407,756
Current liabilities	(59,058)	(1,320,212)	(264,829)
Long term liabilities	-	(218,318)	-
Pension liability	-	(9,292,000)	-
	<u>1,613,828</u>	<u>(8,961,421)</u>	<u>68,534,807</u>
			<u>61,187,214</u>

Palladian Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

20. MOVEMENT IN FUNDS

	At 1.9.20 £	Net movement in funds £	Transfers between funds £	At 31.8.21 £
Restricted general funds				
General Annual Grant (GAG)	422,777	426,854	(143,771)	705,860
Other DfE/ESFA Grants	70,933	(2,305)	(9,460)	59,168
Pupil Premium	38,069	37,538	-	75,607
UIFSM	13,592	(13,592)	-	-
PE and Sport Premium	38,109	1,712	-	39,821
Local Authority Grants	4,347	32,645	-	36,992
ESFA Salix Loans	(257,248)	-	(10,298)	(267,546)
Covid-19 Catch Up Premium	-	42,482	-	42,482
Pension Reserve	(9,292,000)	(2,830,000)	-	(12,122,000)
	<u>(8,961,421)</u>	<u>(2,304,666)</u>	<u>(163,529)</u>	<u>(11,429,616)</u>
Restricted fixed asset funds				
Capital Maintenance Grants	18,379	(9,145)	-	9,234
Fixed Asset Fund	<u>68,516,428</u>	<u>(518,500)</u>	<u>274,129</u>	<u>68,272,057</u>
	<u>68,534,807</u>	<u>(527,645)</u>	<u>274,129</u>	<u>68,281,291</u>
Total restricted funds	<u>59,573,386</u>	<u>(2,832,311)</u>	<u>110,600</u>	<u>56,851,675</u>
Unrestricted funds				
Other unrestricted	1,278,323	124,015	(86,583)	1,315,755
School Fund	<u>335,505</u>	<u>77,375</u>	<u>(24,017)</u>	<u>388,863</u>
	<u>1,613,828</u>	<u>201,390</u>	<u>(110,600)</u>	<u>1,704,618</u>
TOTAL FUNDS	<u>61,187,214</u>	<u>(2,630,921)</u>	<u>-</u>	<u>58,556,293</u>

Palladian Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

20. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted general funds				
General Annual Grant (GAG)	15,263,909	(14,837,055)	-	426,854
Other DfE/ESFA Grants	7,997	(10,302)	-	(2,305)
Pupil Premium	718,582	(681,044)	-	37,538
UFSM	349,598	(363,190)	-	(13,592)
Rates Grant	72,723	(72,723)	-	-
PE and Sport Premium	162,920	(161,208)	-	1,712
Teachers' Pay Grant	208,829	(208,829)	-	-
Teachers' Pension Grant	541,645	(541,645)	-	-
Local Authority Grants	1,325,487	(1,292,842)	-	32,645
Coronavirus Job-Retention Scheme Grant	9,988	(9,988)	-	-
Covid-19 Catch Up Premium	297,791	(255,309)	-	42,482
Other DfE/ESFA Covid-19 Funding	78,177	(78,177)	-	-
Other Non-DfE/ESFA Covid-19 funding	21,478	(21,478)	-	-
Pension Reserve	-	(724,000)	(2,106,000)	(2,830,000)
	<u>19,059,124</u>	<u>(19,257,790)</u>	<u>(2,106,000)</u>	<u>(2,304,666)</u>
Restricted fixed asset funds				
Capital Maintenance Grants	-	(9,145)	-	(9,145)
Fixed Asset Fund	<u>583,447</u>	<u>(1,101,947)</u>	-	<u>(518,500)</u>
	<u>583,447</u>	<u>(1,111,092)</u>	-	<u>(527,645)</u>
Total restricted funds	<u>19,642,571</u>	<u>(20,368,882)</u>	<u>(2,106,000)</u>	<u>(2,832,311)</u>
Unrestricted funds				
Other unrestricted	541,570	(417,555)	-	124,015
School Fund	<u>221,310</u>	<u>(143,935)</u>	-	<u>77,375</u>
	<u>762,880</u>	<u>(561,490)</u>	-	<u>201,390</u>
TOTAL FUNDS	<u>20,405,451</u>	<u>(20,930,372)</u>	<u>(2,106,000)</u>	<u>(2,630,921)</u>

Palladian Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.19 £	Net movement in funds £	Transfers between funds £	At 31.8.20 £
Restricted general funds				
General Annual Grant (GAG)	414,473	46,311	(38,007)	422,777
Other DfE/ESFA Grants	138,540	(63,607)	(4,000)	70,933
Pupil Premium	-	38,069	-	38,069
UIFSM	-	13,592	-	13,592
PE and Sport Premium	-	38,109	-	38,109
Local Authority Grants	5,796	(1,449)	-	4,347
ESFA Salix Loans	(288,950)	-	31,702	(257,248)
Pension Reserve	(7,895,000)	(1,397,000)	-	(9,292,000)
	<u>(7,625,141)</u>	<u>(1,325,975)</u>	<u>(10,305)</u>	<u>(8,961,421)</u>
Restricted fixed asset funds				
Capital Maintenance Grants	2,673	15,706	-	18,379
Fixed Asset Fund	59,982,301	8,477,183	56,944	68,516,428
	<u>59,984,974</u>	<u>8,492,889</u>	<u>56,944</u>	<u>68,534,807</u>
Total restricted funds	<u>52,359,833</u>	<u>7,166,914</u>	<u>46,639</u>	<u>59,573,386</u>
Unrestricted funds				
Other unrestricted	904,264	374,059	-	1,278,323
School Fund	281,952	100,192	(46,639)	335,505
	<u>1,186,216</u>	<u>474,251</u>	<u>(46,639)</u>	<u>1,613,828</u>
TOTAL FUNDS	<u>53,546,049</u>	<u>7,641,165</u>	<u>-</u>	<u>61,187,214</u>

Palladian Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

20. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Restricted general funds				
General Annual Grant (GAG)	13,981,771	(13,935,460)	-	46,311
Other DfE/ESFA Grants	78,786	(142,393)	-	(63,607)
Pupil Premium	728,916	(690,847)	-	38,069
UIFSM	327,377	(313,785)	-	13,592
Rates Grant	53,354	(53,354)	-	-
PE and Sport Premium	170,073	(131,964)	-	38,109
Teachers' Pay Grant	181,003	(181,003)	-	-
Teachers' Pension Grant	541,151	(541,151)	-	-
Local Authority Grants	1,141,634	(1,143,083)	-	(1,449)
Pension Reserve	(504,000)	(684,000)	(209,000)	(1,397,000)
	<u>16,700,065</u>	<u>(17,817,040)</u>	<u>(209,000)</u>	<u>(1,325,975)</u>
Restricted fixed asset funds				
Capital Maintenance Grants	74,554	(58,848)	-	15,706
Fixed Asset Fund	9,368,389	(891,206)	-	8,477,183
	<u>9,442,943</u>	<u>(950,054)</u>	<u>-</u>	<u>8,492,889</u>
Total restricted funds	<u>26,143,008</u>	<u>(18,767,094)</u>	<u>(209,000)</u>	<u>7,166,914</u>
Unrestricted funds				
Other unrestricted	823,012	(448,953)	-	374,059
School Fund	395,793	(295,601)	-	100,192
	<u>1,218,805</u>	<u>(744,554)</u>	<u>-</u>	<u>474,251</u>
TOTAL FUNDS	<u>27,361,813</u>	<u>(19,511,648)</u>	<u>(209,000)</u>	<u>7,641,165</u>

Restricted Funds

The specific purposes for which the funds are to be applied are as follows:

General Annual Grant (GAG) - Relates to the funding provided to the Academy by the DfE and expenditure incurred by the Academy spent in line with the terms of the Funding Agreement.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

Capital Maintenance Grants - Relates to funding provided to the academy by the ESFA in relation to specific capital maintenance projects.

Other DfE/ESFA Grants, Pupil Premium, UIFSM, PE and Sport Premium, Teachers' Pay Grant, Teachers' Pension Grant and Rates - Relates to additional government funding received in the period to be used on specific purposes.

Local Authority Grants - Relates to additional funding received in the period to be used on specific purposes from local authorities

Palladian Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

20. MOVEMENT IN FUNDS - continued

Covid-19 Catch Up Premium, Other DfE/ESFA Covid-19 funding, Other Non-DfE/ESFA Covid-19 funding and Coronavirus Job Retention Scheme Grant - Relates to additional funding received in the year from both the DfE/ESFA and other sources to contribute towards additional costs incurred as a result of the Covid-19 pandemic and the furlough scheme.

Pension reserve - Relates to the academy trust's local government pension scheme liability.

ESFA loans - A restricted fund reflecting the balances due on ESFA Salix loans and CIF loans received by the academy trust. The deficit on this fund will be reduced over time as loan repayments are made in accordance with the loan agreements and repayment schedules.

Fixed Asset Fund - This equates to the net book value of fixed assets held by the academy trust plus any unspent capital grants less any accrued capital expenditure.

Designated funds

School fund - This is a separate fund maintained by the academy trust through which various school trips, extra curricular activities, charitable fundraising and other items and associated costs are managed.

TOTAL FUNDS ANALYSIS BY ACADEMY

Fund balances at 31 August 2021 were allocated as follows:

	Total 2021 £	Total 2020 £
Combe Down Primary School	261,525	108,720
Fitzmaurice Primary School	291,603	255,829
Oldfield Park Infant School	208,193	144,582
Oldfield Park Junior School	132,269	121,213
Ralph Allen School	461,015	402,210
St Martin's Garden Primary School	308,787	230,527
St Philip's Primary School	115,494	79,212
Widcombe Infant School	130,563	114,138
Widcombe Junior School	344,482	346,721
Winsley Primary School	23,809	(18,852)
Central services	<u>119,262</u>	<u>162,107</u>
Total before fixed asset and pension reserve	2,397,002	1,944,407
Restricted fixed asset fund and capital maintenance fund	68,281,291	68,534,807
Pension reserve	<u>(12,122,000)</u>	<u>(9,292,000)</u>
Total	<u>58,556,293</u>	<u>61,187,214</u>

The end of year deficit for Winsley Primary School in the prior year was an expected deficit and there is a budget plan in place to eliminate the deficit over the next two years.

Palladian Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

20. MOVEMENT IN FUNDS - continued

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £
Ralph Allen School	5,021,460	898,921	256,527
Combe Down Primary School	1,343,667	166,580	86,609
Fitzmaurice Primary School	989,641	148,404	65,265
Oldfield Park Infant School	618,844	100,737	45,739
Oldfield Park Junior School	797,054	99,410	37,484
St Martin's Garden Primary School	1,006,285	287,947	118,358
St Philip's Primary School	927,216	119,110	51,566
Widcombe Infant School	621,606	53,108	47,001
Widcombe Junior School	715,813	94,223	86,293
Winsley Primary School	579,992	70,871	14,554
Central Services	244,505	293,061	540
Total	12,866,083	2,332,372	809,936

	Other Costs (excluding depreciation and LGPS movement) £	Total 2021 £	Total 2020 £
Ralph Allen School	1,211,083	7,387,991	6,929,661
Combe Down Primary School	301,680	1,898,536	1,736,787
Fitzmaurice Primary School	222,997	1,426,307	1,212,955
Oldfield Park Infant School	154,549	919,869	885,786
Oldfield Park Junior School	258,159	1,192,107	1,164,238
St Martin's Garden Primary School	323,656	1,736,246	1,767,565
St Philip's Primary School	206,320	1,304,212	1,243,058
Widcombe Infant School	138,030	859,745	867,672
Widcombe Junior School	85,755	982,084	956,232
Winsley Primary School	117,993	783,410	694,968
Central Services	428,402	966,508	669,525
Total	3,448,624	19,457,015	18,128,447

Transfers between funds

Transfers of £155,367, £9,460, £86,583 and £24,017 were made during the year to reflect capital expenditure from GAG, other DfE/ESFA grants, unrestricted funds and School Fund funds respectively.

Transfers of £10,702 from GAG funds to reflect a year's repayment of ESFA Salix loans were also made during the year and a transfer of £21,000 from ESFA Salix loans back to GAG were also made during the year to reverse an accrual for loan repayments not yet taken.

Prior year fund transfers

Transfers of £6,305, £4,000, £46,639 were made during the year to reflect capital expenditure from GAG, other DfE/ESFA grants and School Fund funds respectively.

Transfers of £10,702 and £21,000 from GAG funds to reflect a year's repayment of ESFA Salix loans were also made during the year.

21. PENSION AND SIMILAR OBLIGATIONS

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Avon Pension Fund and Wiltshire Pension Fund. Both are multi-employer defined benefit schemes.

Palladian Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

21. PENSION AND SIMILAR OBLIGATIONS - continued

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS to the period ended 31 March 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' pension scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the teachers' pension scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £1,727,869 (2020 - £1,615,834).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £1,201,000 (2020: £1,122,000), of which employer's contributions totalled £978,000 (2020: £889,000) and employees' contributions totalled £223,000 (2020: £233,000). The agreed contribution rates for future years are between 17.8 per cent and 31.7 per cent for employers and between 5.5 per cent and 11.4 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Palladian Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

21. PENSION AND SIMILAR OBLIGATIONS - continued

The amounts recognised in the Balance Sheet are as follows:

	Defined benefit pension plans	
	2021	2020
	£	£
Present value of funded obligations	(22,573,000)	(17,137,000)
Fair value of plan assets	<u>10,451,000</u>	<u>7,845,000</u>
	(12,122,000)	(9,292,000)
Present value of unfunded obligations	<u>-</u>	<u>-</u>
Deficit	<u>(12,122,000)</u>	<u>(9,292,000)</u>
Net liability	<u><u>(12,122,000)</u></u>	<u><u>(9,292,000)</u></u>

The amounts recognised in the Statement of Financial Activities are as follows:

	Defined benefit pension plans	
	2021	2020
	£	£
Current service cost	1,530,000	1,340,000
Net interest from net defined benefit asset/liability	150,000	150,000
Past service cost	-	60,000
Administration expenses	<u>22,000</u>	<u>23,000</u>
	<u>1,702,000</u>	<u>1,573,000</u>
Actual return on plan assets	<u><u>1,512,000</u></u>	<u><u>415,000</u></u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2021	2020
	£	£
Opening defined benefit obligation	17,137,000	13,600,000
Current service cost	1,530,000	1,340,000
Past service cost	-	60,000
Contributions by scheme participants	223,000	233,000
Interest cost	293,000	280,000
Benefits paid	(85,000)	(83,000)
Business combinations	-	1,213,000
Actuarial (gains)/losses from changes in financial assumptions	<u>3,475,000</u>	<u>494,000</u>
	<u><u>22,573,000</u></u>	<u><u>17,137,000</u></u>

Palladian Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

21. PENSION AND SIMILAR OBLIGATIONS - continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2021	2020
	£	£
Opening fair value of scheme assets	7,845,000	5,705,000
Contributions by employer	978,000	889,000
Contributions by scheme participants	223,000	233,000
Expected return	143,000	130,000
Actuarial gains/(losses)	1,369,000	285,000
Benefits paid	(85,000)	(83,000)
Business combinations	-	709,000
Administration expenses	(22,000)	(23,000)
	<u>10,451,000</u>	<u>7,845,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2021	2020
	£	£
Actuarial (gains)/losses from changes in financial assumptions	<u>(2,106,000)</u>	<u>(209,000)</u>
	<u>(2,106,000)</u>	<u>(209,000)</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	2021	2020
Equities	42.37%	44.99%
Government bonds	10.87%	8.90%
Other bonds	7.17%	3.75%
Property	6.87%	9.10%
Cash / liquidity	1.60%	2.74%
Other	<u>31.12%</u>	<u>30.52%</u>
	<u>100.00%</u>	<u>100.00%</u>

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2021	2020
Discount rate	1.75%	1.70%
Future salary increases	3.95%	3.20%
Future pension increases	2.95%	2.20%
CPI inflation	2.95%	2.20%

Palladian Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

21. PENSION AND SIMILAR OBLIGATIONS - continued

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2021	2020
Retiring today		
Males	22.4	22.4
Females	24.6	24.5
Retiring in 20 years		
Males	23.3	23.3
Females	26	25.9
Sensitivity analysis		
	2021	2020
	£	£
Discount rate +0.1%	(555)	(406)
Discount rate -0.1%	527	418
Mortality assumption - 1 year increase	(501)	(362)
Mortality assumption - 1 year decrease	488	354
CPI rate +0.1%	759	528
CPI rate -0.1%	(671)	(470)

22. LONG-TERM COMMITMENTS, INCLUDING OPERATING LEASES

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	19,722	47,472
Between one and five years	<u>3,725</u>	<u>19,079</u>
	<u>23,447</u>	<u>54,887</u>

23. RELATED PARTY DISCLOSURES

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest.

Anthony Moore, trading as Edtech Guy - Anthony Moore is a trustee of the academy trust

The academy trust purchased IT CPD provision totalling £3,700 from Edtech Guy (2020: £nil) during the period. There were no amounts outstanding at 31 August 2021 (2020: £nil). The academy trust made the purchase at arms' length in accordance with its financial regulations, which Anthony Moore neither participated in, nor influenced. In entering into the transaction, the academy trust has complied with the requirements of the Academies Financial Handbook. The element above £2,500 has been provided 'at no more than cost' and Edtech Guy has provided a statement of assurance confirming this.

Ruth Balch

During the prior year, the academy trust engaged one of the trustees, Ruth Balch, to provide a governor training session at an academy trust governance event at a cost of £350. There were no amounts outstanding due to this trustee as at 31 August 2020. In entering into this arms length transaction, the academy trust complied with the requirements of the Academies Financial Handbook, including notifying the ESFA of this transaction in advance.

All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Palladian Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2021

24. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(524,921)	7,850,165
Adjustments for:		
Depreciation charges	749,416	699,202
Capital grants from DfE/ESFA	(569,927)	(1,148,057)
Transfer from Local Authority on conversion	-	(8,026,891)
Interest received	(642)	(2,674)
Interest paid	2,195	2,196
DB pension scheme cost less contribution	552,000	511,000
DB pension scheme cost finance cost	172,000	173,000
(Increase)/decrease in debtors	(323,456)	1,920,242
Decrease in creditors	(57,791)	(32,169)
Net cash (used in)/provided by operations	<u>(1,126)</u>	<u>1,946,014</u>

25. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.20 £	Cash flow £	At 31.8.21 £
Net cash			
Cash at bank and in hand	<u>4,021,040</u>	<u>123,413</u>	<u>4,144,453</u>
	<u>4,021,040</u>	<u>123,413</u>	<u>4,144,453</u>
Debt			
Debts falling due within 1 year	(38,930)	-	(38,930)
Debts falling due after 1 year	<u>(218,318)</u>	<u>(10,298)</u>	<u>(228,616)</u>
	<u>(257,248)</u>	<u>(10,298)</u>	<u>(267,546)</u>
Total	<u>3,763,792</u>	<u>113,115</u>	<u>3,876,907</u>

26. CONVERSION TO AN ACADEMY

In the prior year, on 1 October 2019 Fitzmaurice Primary School and on 1 December 2019 Winsley Primary School both converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Palladian Academy Trust from Wiltshire Unitary Authority for £nil consideration.

The transfer was accounted for as a combination that was in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain / loss in the Statement of Financial Activities as donations- transfer from local authority on conversion.

In total the transfer on conversion figure in the prior year was a £8,026,891 donation, £6,416,316 for Fitzmaurice Primary School and £1,160,575 for Winsley Primary School.